

RULE NO. 1993-A
Adopted March 20, 1994

**DISCLOSURE OF AGREEMENTS BETWEEN FINANCIAL PROFESSIONALS
FOR NEGOTIATED TRANSACTIONS**

WHEREAS, the duties of the Louisiana State Bond Commission (the "Commission") require that it choose financial professionals (including, without limitation, firms of underwriters, financial advisors and bond attorneys) in connection with certain bond issues and the Commission predicates such choices upon the competing firms' experience, qualifications and performance, in order that a broad spectrum of firms including minority and women-owned and regional firms are given an opportunity to actively and fully participate in such financings; and,

WHEREAS, the Commission's duties also require that it approve applications from local governmental entities to issue bonds and such applications include information on the financial professionals involved in handling the issues;

NOW THEREFORE, in order to insure the integrity of the structure of the financing team which the Commission is charged with the responsibility of choosing and/or approving for handling bond issues, the Commission hereby adopts the following rule regarding agreements by and between such financial professionals as to the sale of such bonds:

1. Terms and/or existence of all joint accounts and/or any other fee-splitting arrangements by and between financial professionals must be disclosed and approved by the Commission.
2. For bond issues for which the Commission is charged with the responsibility to choose the financial professionals, the following will apply:
 - a. Firms under consideration for selection by the Commission must file a disclosure statement to be submitted as part of their proposal (whether such proposal is solicited or unsolicited), listing any and all agreements by and between themselves and any other financial professionals which relate to the bond issue.
 - b. Financial professionals must include, in any proposal submitted to the Commission, the name or names of any person or firm, including attorneys, lobbyist and public relations professionals engaged to promote the selection of the particular financial entity.
 - c. Joint proposals from financial professionals will be allowed only if the Commission's solicitation for offers requests and/or permits joint proposals. The Commission reserves the right, in its sole discretion, to decide on an issue-by-issue basis whether joint proposals will be permitted.
 - d. All financial professionals submitting joint proposals and/or intending to enter into joint accounts or any fee-splitting arrangements in connection with a bond issue must fully disclose and have approved by the Commission any plan or arrangement to share tasks, responsibilities, and fees earned, and disclose the financing professionals with whom this sharing is proposed, and any changes thereto which may occur.

- e. The Agreement Among Underwriters will govern all transactions during the underwriting period and such agreement must be disclosed and filed with the Commission.
 - f. No later than forty-five (45) days following the bond sale, all participating underwriters must file with the Commission in notarized affidavit form individual post-sale reports which include a full accounting for all bonds sold and all commissions earned, and any other compensation paid or earned in connection with such sale.
3. Failure to comply with any of the provisions of Section 1 or 2 of this rule may result in a firm's immediate dismissal, disqualification from later issues, or other penalties as may be provided by law or the rules, policies and procedures of the Commission as the Commission in its sole discretion may deem appropriate.
4. For those bond issues which the Commission must approve but for which the Commission is not responsible for the choice of the financial professionals, the following will apply:
- a. The details of any arrangements for compensation of all the financial professionals in the transaction (including any joint accounts or fee-splitting agreements) and the method used to calculate the fees to be earned must be provided to the Commission in the written application. The Commission's receipt of this information is a prerequisite for being placed on the agenda.
 - b. At closing, this information must be certified in notarized affidavit form by the financial professional to be correct and filed with the State Bond Commission within five (5) days thereof. This information will form a part of the public record of the bond issue.

STATE DEBT LIMIT RULE

Whereas, Article VII, Section 6(F) of the Louisiana Constitution (Acts 1993, No. 1044, Section 1, approved October 16, 1993, effective November 17, 1993) and La. R.S. 39:1967 (Acts 1993, No. 813, Section 1, effective July 1, 1993) established a limitation on the amount of net state tax supported debt which may be issued in any fiscal year; and

Whereas, these provisions of the constitution and laws of the State of Louisiana provide certain duties and responsibilities of the State Bond Commission (the "commission"); and

Whereas, in carrying out these duties and responsibilities, the commission must annually establish the limitation on the issuance of net state tax supported debt and must determine if debt issues presented for approval by the commission are to be included in net state tax supported debt; and

Whereas, La. R.S. 38:1367 defines "net state tax supported debt" but does not illustrate specific types of debt which are included in this definition.

Therefore be it resolved that the commission adopted the following rule which encompasses the full and complete authority to be followed by the commission in implementing the state debt limit and Article VII, Section 6(F) and of La. R.S. 39:1367, as now or hereinafter amended, are by reference made a part hereof.

RULE

The State Bond Commission shall annually establish the maximum dollar amount which may be expended in any year for servicing net state tax supported debt, as such terms are defined by law (the "debt limit"). This is to be a computation based on the formula used in La. R.S. 39:1367 (as now or hereinafter amended) and shall include an estimate of the par amount of bonds which can be issued, and shall report such debt limit to the Legislature, the governor and the Joint Legislative Committee on Capital Outlay by November 1 of each year.

For purposes of this rule, the following debt and types of debt are determined to be net state tax supported debt and shall be included in the debt limitation established annually by the State Bond Commission (for specific issues and amounts of the inclusions listed below the commission will cross reference the Louisiana Division of Administration, Statewide Reporting):

1. General Obligation Bonds Secured by the Full Faith and Credit of the State.

General obligation bonds secured by the full faith and credit of the state shall include general obligation bonds issued pursuant to Article VII, Section 6 of the State Constitution, La. R.S. 38:1316-1366 and other constitutional and statutory authority supplemental thereto as well as bonds which were authorized or issued prior to the adoption of the State Constitution of 1974 which are currently backed by the full faith and credit of the state ("General Obligation Debt Equivalents"). As of the date of the adoption of this rule, this category includes the following: general obligation bonds, highway construction bonds; capital improvement bonds; Charity Hospital of Louisiana (New Orleans) bonds; higher education bonds.

2. Debt Secured by Capital Leases of Immovable Property Payable by the State or Annual Appropriations of the State

Debt secured capital leases of immovable property payable by the state or annual appropriations of the state shall include debt secured by revenues derived from lease payments by and between the state and any agency, corporation, public trust, authority, or political subdivision whether paid from the Bond Security and Redemption Fund or by direct State General Fund appropriation but not backed by the full faith and credit of the state.

For purposes of this rule, capital leases are as defined by generally accepted accounting principals. As of the date of the adoption of this rule, this category includes the following: office facilities corporation bonds; LPFA - Hotel Dieu, 1992; Louisiana office building corporation bonds; Louisiana correctional facilities corporation bonds.

3. Debt Secured by Statewide Tax Revenues or Statewide Special Assessments

Debt secured by statewide tax revenues or statewide special assessments shall include revenue debt having a specifically identified major tax, licenses or fee dedication. As of the date of the adoption of this rule, this category includes the following: Louisiana Recovery District (Transportation Trust Fund).

4. Bonds Secured by Self-supported Revenues which in the First Instance may not be Sufficient to Pay Debt Service and will then Draw on the Full Faith and Credit of the State

Bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state shall include those revenue bonds which are self-supporting by which have a lien on or guaranty of either the Bond Security and Redemption Fund or indirectly by State General Fund appropriation. As of the date of the adoption of this rule, this category includes certain bonds of the following issuers: Ascension St. James Bridge Authority, Lake Charles Harbor Authority, Crescent City Connection, Louisiana Agricultural Authority, Colleges and Universities, Greater Baton Rouge Port, Port of New Orleans, Greater New Orleans Expressway Commission.

For purposes of this rule, the State Bond Commission, when unable to determine the classification of a debt issue as net state tax supported debt under the provisions of La. R.S. 39:1367 or the rules of the commission, may request an advisory opinion of the legislative auditor of the proper classification of such debt issue based upon the criteria of the Governmental Accounting Standards Board codification of Governmental Accounting and Financial Reporting Standards. The State Bond Commission may also request an opinion of the attorney general of the proper classification of such debt based upon the constitution and laws of the State of Louisiana. Both such opinions may be considered by the commission prior to any determination of the classification of such debt issue as net state tax supported debt.

RESOLUTION
Adopted March 18, 1993

WHEREAS, the State Bond Commission (the "issuer") has outstanding securities in the state and local government securities market or is planning an issue in the near future; and

WHEREAS, the State Bond Commission appreciates the support of the investment community for the financing efforts of the Issuer; and

WHEREAS, the maintenance of ratings, if any, for the State Bond Commission's rated securities depend in part upon the continued availability of information to the rating agencies; and

WHEREAS, the State Bond Commission has been informed that the liquidity of its securities in the secondary market may be affected by the availability of information and maintenance of ratings; and

WHEREAS, the State Bond Commission desires to maintain excellent relations with its investors and to improve the liquidity of the Issuer's securities in the secondary market; and

WHEREAS, the State Bond Commission desires to receive a Certificate of Recognition from the National Federation of Municipal Analysts, and the adoption of this Resolution is as condition to the award of such a Certificate, although the Issuer also recognizes that a Certificate of Recognition does not imply in any manner a positive or negative judgment as to the accuracy of sufficiency of the disclosure documents;

NOW THEREFORE, The State of Louisiana through the State Bond Commission hereby makes the following commitments to its investors:

1. The State Bond Commission (or its agent) will provide annual audited financial statements and other pertinent credit information relevant to the Issuer's outstanding securities (which may be contained in official statements), including the Issuer's Comprehensive Annual Financial Report, if one is prepared, upon request, and will provide copies to one or more major information providers in the state and local government securities market.
2. If an issue is rated, appropriate periodic credit information necessary for maintaining the rating(s) on the securities will be provided by the State Bond Commission to the rating agency(ies) rating the securities.
3. A statement will be made by the State Bond Commission in the Introduction to its official statements evidencing the commitments made herein.

This Resolution shall take effect from and after its date of adoption.

STATE BOND COMMISSION FEE SCHEDULE

General Governmental Issues*		
General Government Application Fee	\$100.00**
Closing Fees	Par	Percentage
First	\$500,000	0.065%
Next	\$4,500,000	0.060%
Next	\$5,000,000	0.055%
Next	\$10,000,000	0.050%
Next	\$30,000,000	0.045%
Over	\$50,000,000	0.035%
Certified Copy Fee	No Charge For One (1) Copy \$5 for Each Additional Copy	
Private Purpose Bonds***		
Private Activity Application Fee	\$1,500.00**
Closing Fees	Par	Percentage
First	\$5,000,000	0.125%
Next	\$20,000,000	0.110%
Next	\$25,000,000	0.105%
Next	\$50,000,000	0.100%
Over	\$100,000,000	0.090%
Other Fees		
Annual Agenda Subscription Fee	\$100.00 Private Sector \$50.00 Public Sector	

- * To be levied on debt instruments with maturities in excess of 12 months excluding budgetary loans made under the provisions of LA R.S. 39:745, 17:89, 33:9901.
- ** Application fee will be credited toward the closing fee when bonds are issued, sold and delivered.
- *** Private activity bonds are defined as bonds the proceeds of, which are used primarily for the benefit of a private company or enterprise or the payment on such bonds, are paid from revenues derived from private enterprise or concern, regardless of the issuer or the tax exempt status of the debt.

Application # _____

CLOSING FEE REMITTANCE FORM

Please include a fully completed copy of this form when enclosing a check for the payment of closing fees. La. R.S. 39:1405.1 provides for both the collection and rebate of excess fees on a pro rata basis. The completion of this form allows us to better identify payments for these purposes. **Failure to return this fully completed form with payment will result in either the delay or the inability on our part to make rebate payments.**

SBC APPLICATION NUMBER (as shown on certificate or resolution): _____

Date of State Bond Commission Approval: _____

Issuer: _____

Issue: _____

Name of Issuer: _____

Par Amount Sold: _____

Application Fee: _____ **Date Paid:** _____ **Amount:** _____

Name and Phone Number of Contact Person: _____

For Conduit Issues Only

If payment is on behalf of a beneficiary, please list the name of the entity and a contact person for which payment is being made.

_____ **Phone #:** _____

Generation and distribution of a rebate checks will be made to the issuers and can be facilitated by use of the following information:

Rebate Check Payable to: _____

Individual to Whom It is sent: _____

Mailing Address: _____

Thank you for your cooperation in providing this information.